



U.S. Department of Housing and Urban Development
Office of Multifamily Housing
Region X Multifamily HUB

May 29, 2014

MEMORANDUM FOR: Management Agents, Owners and Project Managers subject to HUD Management Fees in Alaska, Idaho, Oregon and Washington

FROM: Philip Head, Acting Director, Seattle Multifamily Hub

SUBJECT: Better Building Challenge Special Fee

The Department of Housing and Urban Development, in partnership with the U.S. Department of Energy and the White House, expanded the Better Building Challenge (BBC) to include multifamily residential buildings. BBC participants commit to reduce their portfolio energy and water usage by 20% within 10 years. Participation in this incentive is limited to only those multifamily properties owned by BBC participants, and applies to Identity-of-Interest, Independent Management Agents, and Owner-Managed BBC Multifamily Housing Projects.

Better Building Challenge (BBC)

\$1.00 each

Show dollar amount(s), Purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

Better Building Challenge eligible fees; duration is the shorter of 10 years from the first year the Owner submits the management add-on fee request or the end of the BBC period for the BBC Sponsor's portfolio. Contributes toward portfolio-wide goal of 20% energy/water use reduction.

Operation and Maintenance

\$1.00

Developing building-specific Green Owner and Management plan; training staff

Tenant Engagement

\$1.00

Making fliers to distribute to tenants quarterly; planning regular outreach activities

Data Collection

\$1.00

Cost of buying and updating energy tracking program "ABCDEF"; technical assistance from company "XYZ"

Benchmarking

\$1.00

Obtaining tenant release forms for utility data; hiring company "QRP" to collect and analyze data

Total Maximum fees request: \$4.00/PUPM. Cumulative BBC-Eligible Management Special Fees added-on may not exceed \$5,000/year per Property.

Your request must include the following items:

- 1) New HUD 9839 A, B or C
- 2) Better Building Challenge Excel worksheet
- 3) Better Building Challenge Partnership Agreement

You must contact Kevin Bush at (202) 402-6908 or via email Kevin.J.Bush@hud.gov prior to signing BBC Partnership Agreement.

If you have any questions, please contact your HUD Project Manager.

SPECIAL FEES
Better Building Challenge

Management Agent :	
BBC Partner:	
Project Name :	
Project Number :	
Program Period :	

Better Building Challenge

Show dollar amount(s), Purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

Better Building Challenge eligible fees; duration is the shorter of 10 years from the first year the Owner submits the management add-on fee request or the end of the BBC period for the BBC Sponsor's portfolio. Contributes toward portfolio-wide goal of 20% energy/water use reduction.

	REQUESTED	ALLOWED
BBC Fee 1: Operation and Maintenance		\$1.00
Example: Developing building-specific Green Owner and Management plan; training staff		

BBC Fee 2: Tenant Engagement		\$1.00
Example: Making fliers to distribute to tenants quarterly; planning regular outreach activities		

BBC Fee 3: Data Collection		\$1.00
Example: Cost of buying and updating energy tracking program "ABCDEF"; technical assistance from company "XYZ"		

BBC Fee 4: Benchmarking		\$1.00
Example: Obtaining tenant release forms for utility data; hiring company "QRP" to collect and analyze data		

Requested Management Fee	\$0.00
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Total Maximum BBC fees request: \$4.00/ PUPM

Cumulative BBC-eligible Management Special Fees added-on may not exceed \$5,000/year per property.

INCLUDE:

- 1.) New HUD 9839 A, B or C
- 2.) Better Building Challenge Partnership Agreement with Special Fee request.

***** You must contact Kevin Bush at (202)402-6908 or via email Kevin.J.Bush @ HUD.gov prior to signing BBC Partnership Agreement.**

SPECIAL FEES
Better Building Challenge

The **Better Buildings Challenge** is a Presidential leadership initiative which calls on multifamily housing owners, managers, and operators to create American jobs through energy efficiency. Working with the Departments of Energy (DOE) and Housing and Urban Development (HUD), **Better Buildings Challenge Partners** will make public commitments to action—specifically committing to reducing their energy intensity across their entire portfolio by at least 20 percent within 10 years—and implement their plans to achieve lasting energy savings, improve our environment, and reduce our dependency on foreign oil.

The Partner Agrees to:**✓ Commit**

- ▶ **Publicly pledge** to improve energy intensity of the entire portfolio by at least 20 percent by 2020 or within 10 years
- ▶ Assign a **senior executive and primary point of contact** to fulfill Better Buildings Challenge commitments within 1 month
- ▶ Develop an **organization-wide plan with energy reduction milestones** to achieve energy savings commitment within 6 months

✓ Take Action

- ▶ Publicly **announce an initial showcase project** (e.g., retrofit, retro commissioning) within 6 months and initiate the project within 12 months
- ▶ Announce the use of one or more **energy efficiency implementation models** within 6 months

✓ Report Results

- ▶ **Share information** on the energy efficiency implementation models used to achieve the energy savings commitment
- ▶ Make available **portfolio-wide, building-level energy performance** information within 12 months and track progress on an annual basis
- ▶ **Provide regular updates on progress** with showcase projects and energy efficiency implementation models, energy savings across the organization, and energy performance as the basis for recognition

DOE and HUD Agree to:**✓ Assist**

- ▶ Provide **technical assistance and energy efficiency implementation models** to support Partners' commitment to measure, track, and improve portfolio energy performance
- ▶ Collaborate with Partner on a regular basis

✓ Connect

- ▶ **Establish a marketplace of energy efficiency stakeholders**, such as government, industry, service providers, financial institutions, and tech companies
- ▶ **Connect Partners** with Allies that commit to transparency and good faith efforts to provide products, services, financing, and other resources to evaluate and support energy efficiency projects

✓ Recognize Success

- ▶ **Provide national recognition to Partners** for achieving program milestones and energy efficiency results
- ▶ **Recognize Partners** who leverage, develop, and share innovative and cost-effective energy efficiency implementation models
- ▶ **Provide preference** to Partners in certain HUD competitive funding processes

Agreement

My organization is committed to continuous improvement in energy efficiency and agrees to the General Terms of the Better Buildings Challenge.

Senior Executive Officer

Date

Contact Information

Organization: _____ Address: _____

Name: _____ Title: _____

Phone: _____ Email: _____

Square Footage Commitment: _____

Energy Savings Goal (e.g., 20% reduction in energy intensity by 2023): _____

General Terms

- ▶ All parties concur that this agreement is wholly voluntary and may be terminated by any party at any time, and for any reason, with no penalty.
- ▶ Partner will not construe, claim, or imply that its participation in the Better Buildings Challenge constitutes Federal Government approval, acceptance, or endorsement of anything other than Partner's commitment to the program.
- ▶ Partner understands its participation in the Better Buildings Challenge does not constitute Federal Government endorsement of Partner or its multifamily buildings.
- ▶ Partner understands that the activities it undertakes in connection with the Better Buildings Challenge are voluntary and not intended to provide services to the Federal Government. Partner will not submit a claim for compensation to any federal agency.
- ▶ The Better Buildings Challenge will honor all requests to keep the Partner's information and data confidential.